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ICYMI: *The Sacramento Bee*: Dan Walters: California has unspent billions from carbon auctions

(SACRAMENTO)— In yesterday's *Sacramento Bee*, Dan Walters questioned the implementation of the state's cap-and-trade program and the California Air Resources Board's (ARB) collection of billions of program dollars that are "incidental" to the regulation. In fact, according to the ARB's own statements, it suggests they intend to use the program as a "substitute for discretionary taxes" in violation of Prop. 13.

***The Sacramento Bee*: Dan Walters: California has unspent billions from carbon auctions**

One of the chores the Legislature left undone when it adjourned was spending billions of dollars from auctioning carbon dioxide emission credits.

There's no shortage of suggestions on how to spend the "cap-and-trade" money, but state law says it's supposed to be spent on reducing carbon emissions and thus combating climate change

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Gov. Jerry Brown already has a big chunk of the money – \$250 million a year and growing – to spend on his pet bullet train project on the assertion that it will make a big dent in tailpipe carbon emissions.

However, the Legislature's budget adviser, Mac Taylor, has opined that the bullet train will have negligible impact on emissions by a 2020 deadline, and its construction may actually increase them.

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The money is piling up largely because the Air Resources Board applied cap-and-trade to auto fuel this year, raising prices by an estimated 10 cents per gallon, which translates into more than \$100 million a month in additional revenue.

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Roughly half the money is committed – with the bullet train getting the largest share – but much of what politicians see as free money remains on the table, with much disagreement on what to do with it.

We don't even know what to call it. We in the media generally refer to it as a "fee," but business groups, in a lawsuit, labeled it an illegal tax because it was not passed by the Legislature.

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However, as the billions pile up and politicians devise creative ways to spend it, the “byproduct” assertion weakens. And spending it becomes more like what an ARB advisory panel suggested, “a substitute for discretionary taxes such as income and sales taxes.”

Were the courts to reach that conclusion as well, those billions could vanish.

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